CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE MEETING MINUTES

March 18, 2008

The Health Benefits Committee met on Tuesday, March 18, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:33 a.m. with the following members present:

George Diehr, Chair
Priya Mathur, Vice Chair
John Chiang
Rob Feckner
Greg Beatty representing David Gilb
Henry Jones
Steve Coony representing Bill Lockyer
Tony Oliveira
Anne Sheehan

Other Board members present: Louis Moret Kurato Shimada Charles Valdes

AGENDA ITEM 2 – APPROVAL OF FEBRUARY 14, 2008, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The February 14, 2008, Health Benefits Committee meeting minutes were approved as presented.

AGENDA ITEM 3 – ELECTION OF HEALTH BENEFITS COMMITTEE CHAIR AND VICE CHAIR

On **MOTION** by John Chiang **SECONDED** and **CARRIED**, Priya Mathur was elected as Chair of the Health Benefits Committee.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, George Diehr was elected Vice Chair of the Health Benefits Committee.

AGENDA ITEM 4A – HEALTH AND DISEASE MANAGEMENT INITIATIVE UPDATE

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, and Chuck Hartwig of Mercer presented information on chronic condition costs and the performance

monitoring approach for the Health and Disease Management Initiative. CalPERS staff and Mercer Consultants will provide the final Health and Disease Management Initiative report at the April 2008 HBC meeting which will include: specific recommendations for the long-term direction of the program; assessment of the feasibility of carving out components of the program; and, how this initiative could fit with the Single Health Benefits Administrator Initiative.

AGENDA ITEM 4B – MEDICARE ELIGIBLE MEMBERS IN CALPERS BASIC HEALTH PLANS

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, provided an overview of the current Medicare eligible members enrolled in a CalPERS Basic Health Plan. CalPERS has 5,499 members age 65 or older who are enrolled in a CalPERS basic health plan. The cost for these members is estimated at \$30 million annually. Enrollment in a CalPERS Medicare health plan requires members to be eligible and enrolled in both Medicare Parts A and B.

At this time, the Health Benefits Committee recessed for lunch and reconvened at 1:15 p.m.

AGENDA ITEM 4C – CALIFORNIA REGIONAL HEALTH INFORMATION ORGANIZATION FEASIBILITY STUDY

Chuck Hartwig of Mercer presented the results of their study of the CalRHIO project and provided their conclusions and recommendations. Mercer suggests that CalPERS support the CalRHIO development efforts and continue to monitor its progress, perhaps through quarterly or semi-annual briefing to the Health Benefits Committee.

The following people spoke on this item:

Dr. Donald Holmquist, CalRHIO
Dr. Gifford Boyce-Smith, Chief Medical Officer, Medicity
Tom Moore, California Health Care Coalition
Neal Johnson, SEIU Local 1000
David Humphers, California State University Emeritus Faculty

AGENDA ITEM 5A – HEALTH MAINTENANCE ORGANIZATION FINANCIAL RESERVES UPDATE

Tom McCaffery and Song Song Liao of Blue Shield of California and David Henka and George Di Salvo of Kaiser Permanente, provided information regarding their plans' financial reserves relating to CalPERS membership. This information is provided to the Health Benefits Committee on a quarterly basis.

AGENDA ITEM 6A – PERS SELECT QUARTERLY UPDATE

Steve Scott and Robert Honaker of Blue Cross of California provided an update on the PERS Select implementation and their efforts to increase enrollment. Blue Cross remains committed to PERS Select and is confident in its ability to reduce the increase of cost through this product offering.

AGENDA ITEM 7A – CALIFORNIA HOSPITAL ASSESSMENT AND REPORTING TASKFORCE (CHART) UPDATE

Loren Suter, CalPERS Strategic Advisor, provided an update on the quality component of the Partnership for Change in regard to the California Hospital Assessment and Reporting Taskforce (CHART). Mr. Suter highlighted the developments in CHART since the launch of the CalHospitalCompare.org website.

Tom Moore, California Health Care Coalition, spoke on this item.

AGENDA ITEM 10 – ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, noted the additions to the Health Benefits Branch Assignment Matrix as a result of the previous agenda items and informed the Committee that the Single Third-Party Administrator Board Workshop would be postponed until August 2008.

AGENDA ITEM 11 – PROPOSED AGENDA FOR APRIL 22, 2008, HEALTH BENEFITS COMMITTEE MEETING

The proposed April 22, 2008 Health Benefits Committee Meeting agenda was accepted with the addition of an agenda item regarding the California Regional Health Information Organization.

AGENDA ITEM 12 - PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 2:50 p.m.

The next meeting of the Committee is scheduled for April 22, 2008, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

FRED BUENROSTRO
Chief Executive Officer